



MAY 2018

## Race, Economics, And Social Status

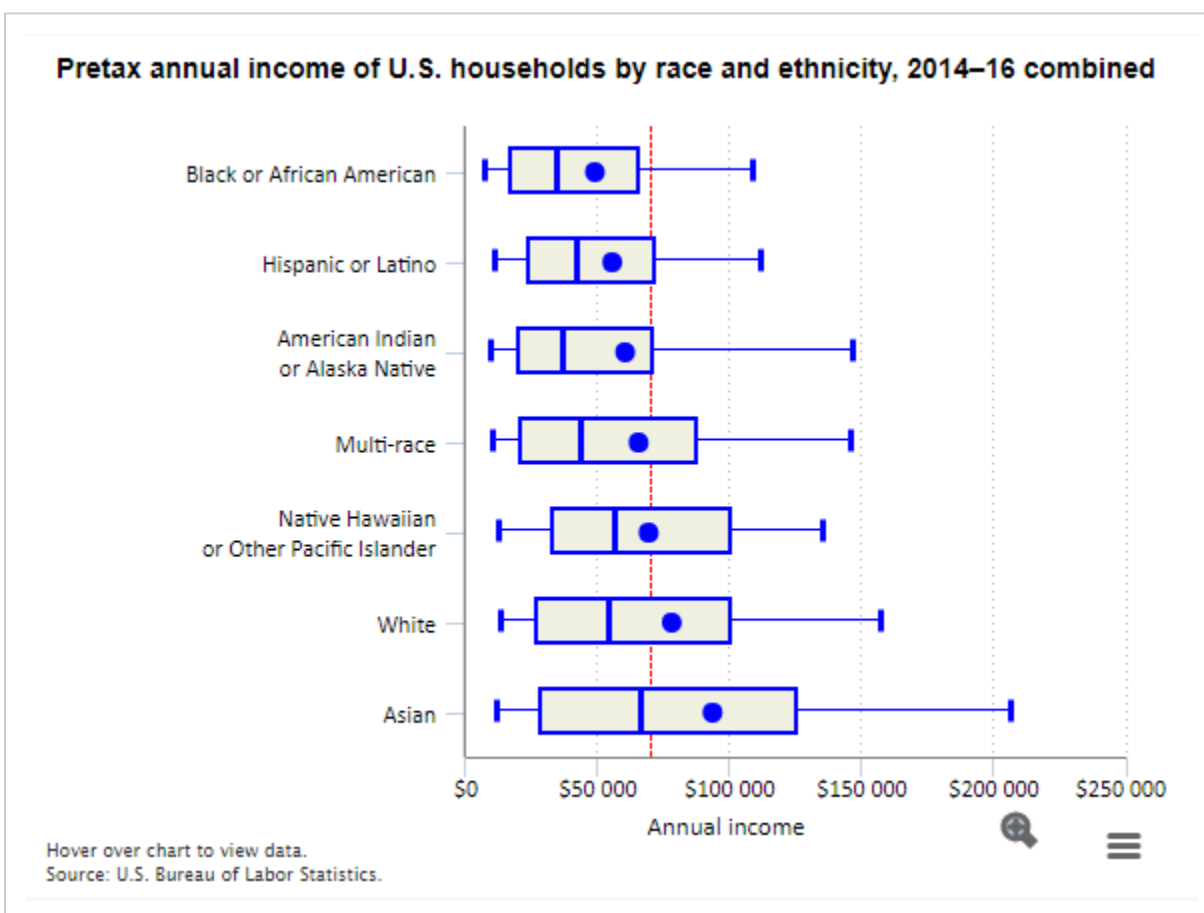
**Reginald A. Noël**

Social and economic status of an individual or group can be measured as a blend of wealth, income, occupation, and education. Other contributors to social and economic status include race, ethnicity, home ownership, family size, family types, and even types of foods purchased. The combination of social and economic status can reveal a group or individual's unequal access to resources, privilege, power, and control in a society. This Spotlight on Statistics examines Consumer Expenditure Survey data to explore the patterns of social and economic factors by race and ethnicity.

## Household income varies widely by race and ethnicity

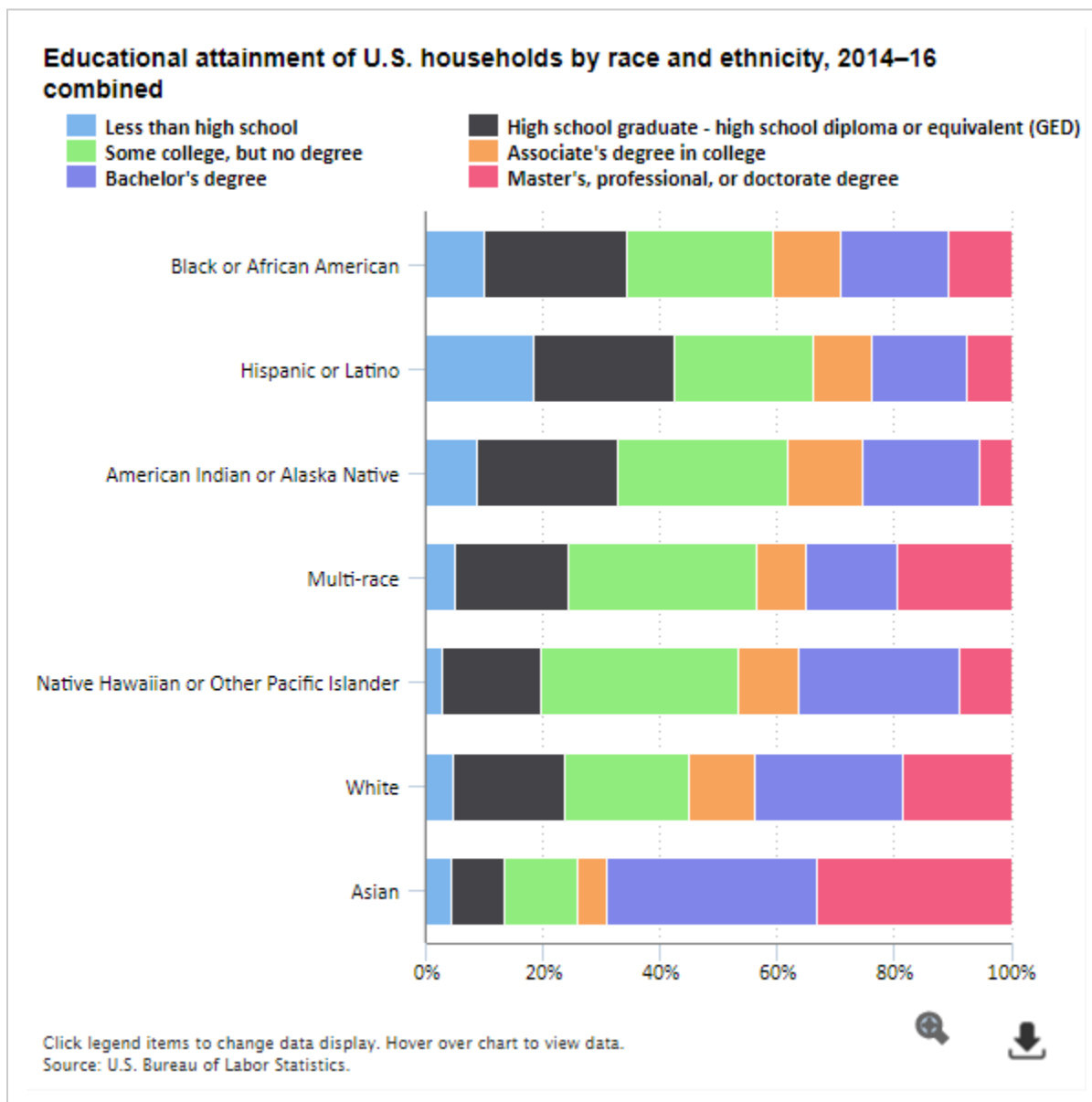
Researchers and the public have given a lot of attention to social and economic inequality over the past several years. Many factors have widened the gap between those with high and low income in the United States. Such increases in income inequality raise social, political, and economic concerns.

Over the 2014–16 period, the average household pretax income was \$70,448. Pretax income varied by race and ethnicity, as the average was highest for Asians with \$93,390 and lowest for Blacks or African Americans with \$48,871. The gap between those in the lowest 10 percent of income and those in the highest 10 percent of income was the widest for Asians and smallest for Hispanics and Blacks or African Americans.



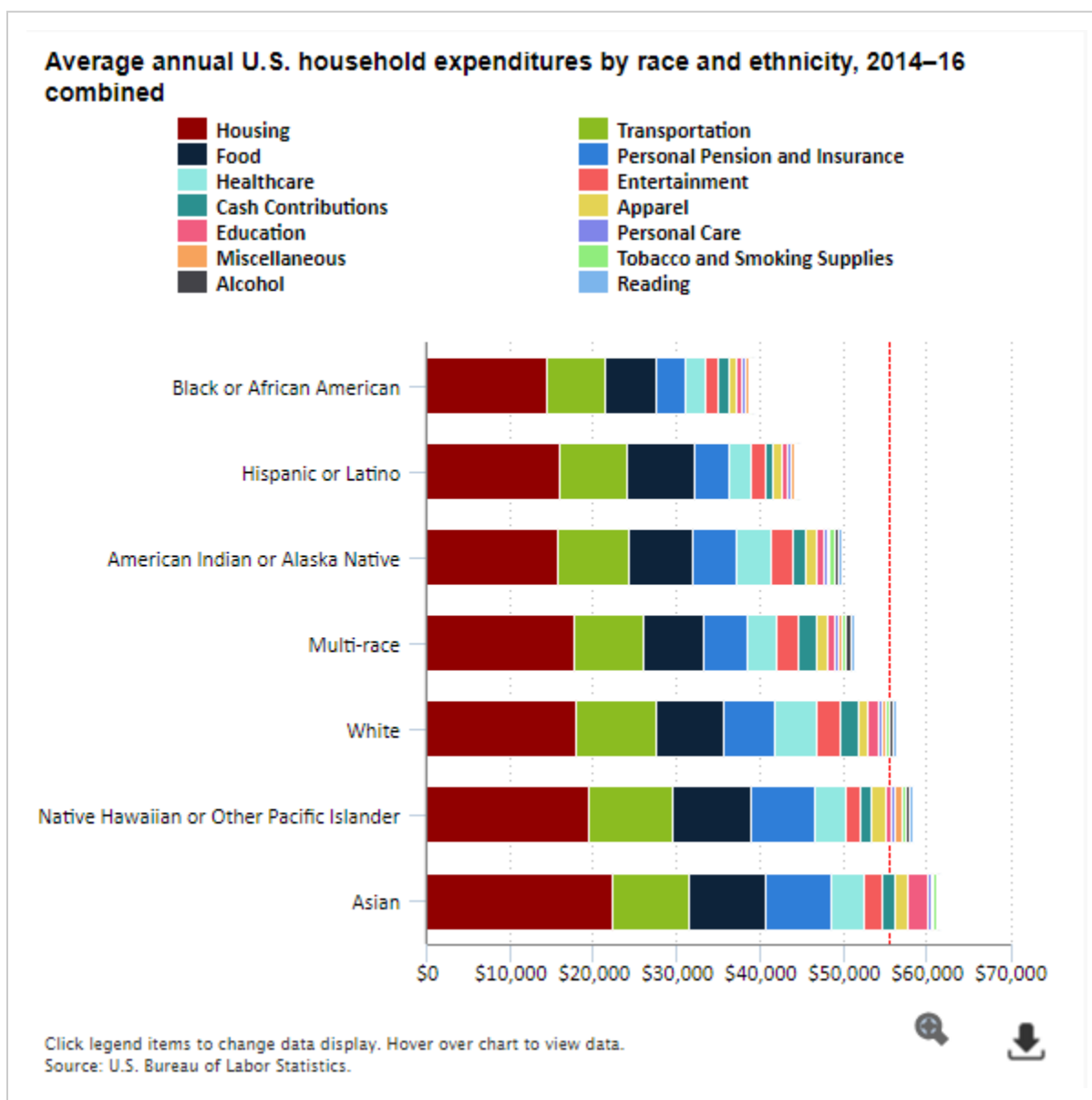
## Educational attainment and social outcomes

Educational attainment can have a strong impact on social outcomes, including child mortality, fertility, and income distribution. In addition, studies show that college educated people were more likely to stay married compared to those with less education, thus providing the opportunity for two people to pool their incomes, resources, and social capital. Over the 2014–16 period, approximately 70 percent of Asian households had a member with a Bachelor's degree or higher, compared with 23 percent of Hispanic households.



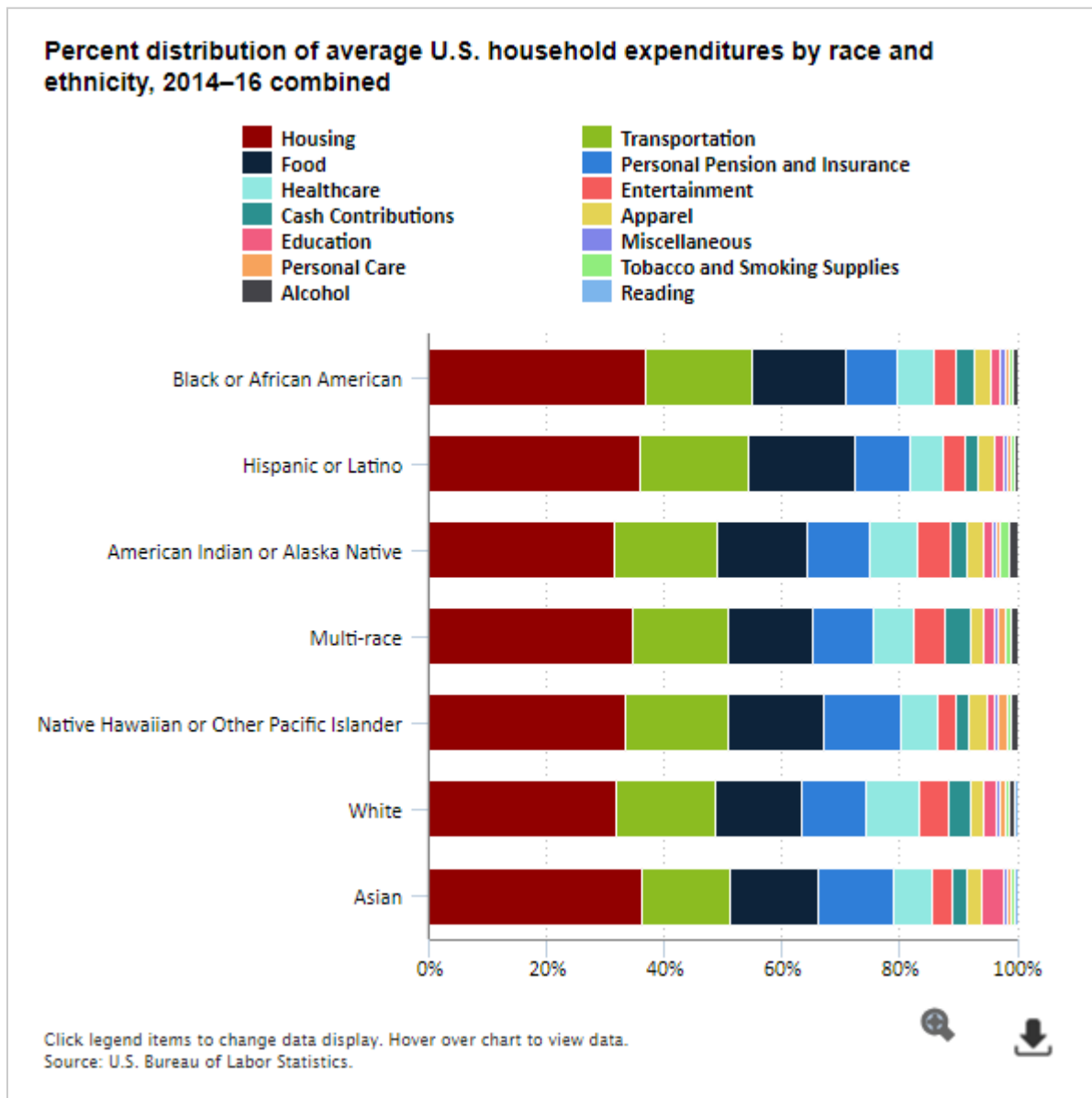
## Household spending varies widely by race and ethnicity

Consumer expenditures can serve as a measure of social and economic status. Average annual household expenditures were \$55,607 over the 2014–16 period. Analyzing data of demographic subgroups can give us a deeper understanding of consumption preferences and spending behavior for a particular group. Over the 2014–16 period, Native Hawaiian or Other Pacific Islander households had the second highest total household expenditures, with \$58,000 per year.



## Household expenditure percentages as an indicator

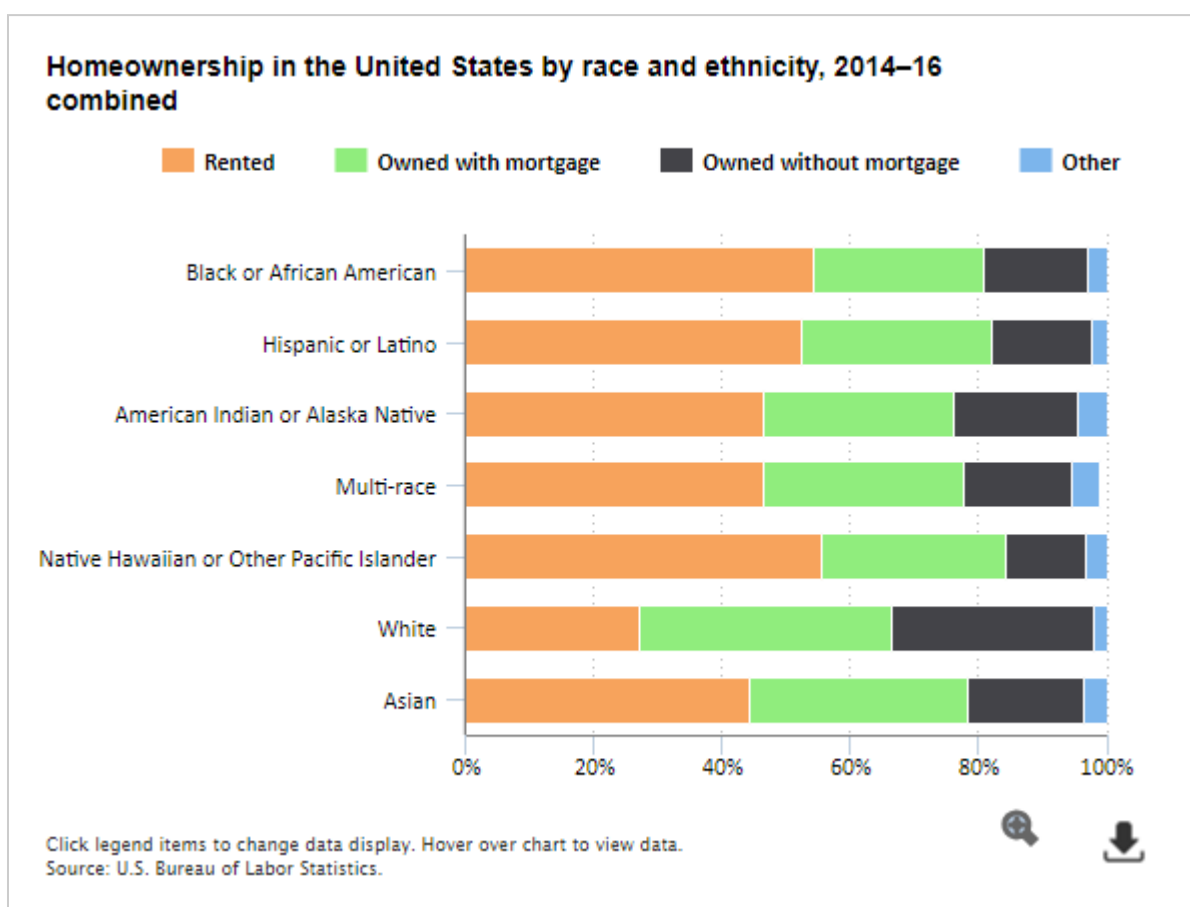
Expenditure percentages can be used to indicate financial health or determine credit worthiness. For instance, housing expenditure percentages are used in the underwriting process for a mortgage. Over the 2014–16 period, housing expenditures made up 36.8 percent of total household expenditures for Blacks or African Americans, followed by Asians with 36.2 percent, and Hispanics with 35.9 percent.



## Home ownership and residential stability

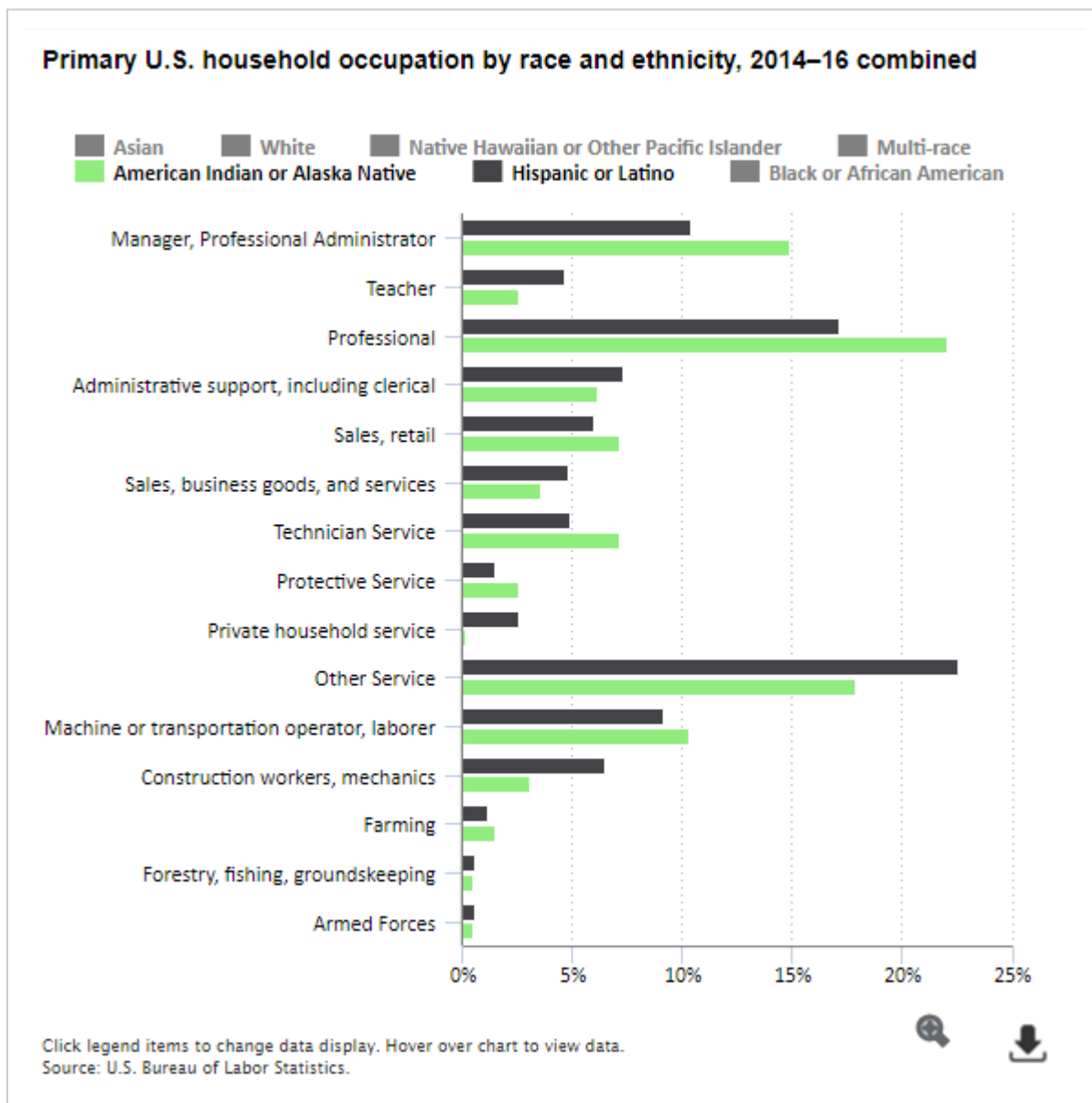
Home ownership can indicate a household's level of income, wealth, and residential stability. "Owner" includes families living in their own homes, cooperatives or condominium apartments, or townhouses. "Renter" includes families paying rent, and families living rent-free in place of wages. The category labeled "Other" includes living arrangements that the consumer unit occupies without paying cash rent, or the consumer unit may be in student housing.

Over the 2014–16 period, 71 percent of White households owned a home with or without a mortgage, while 27 percent rented. Over that same period, 56 percent of Native Hawaiian or Pacific Islander households rented, while 41 percent owned a home.



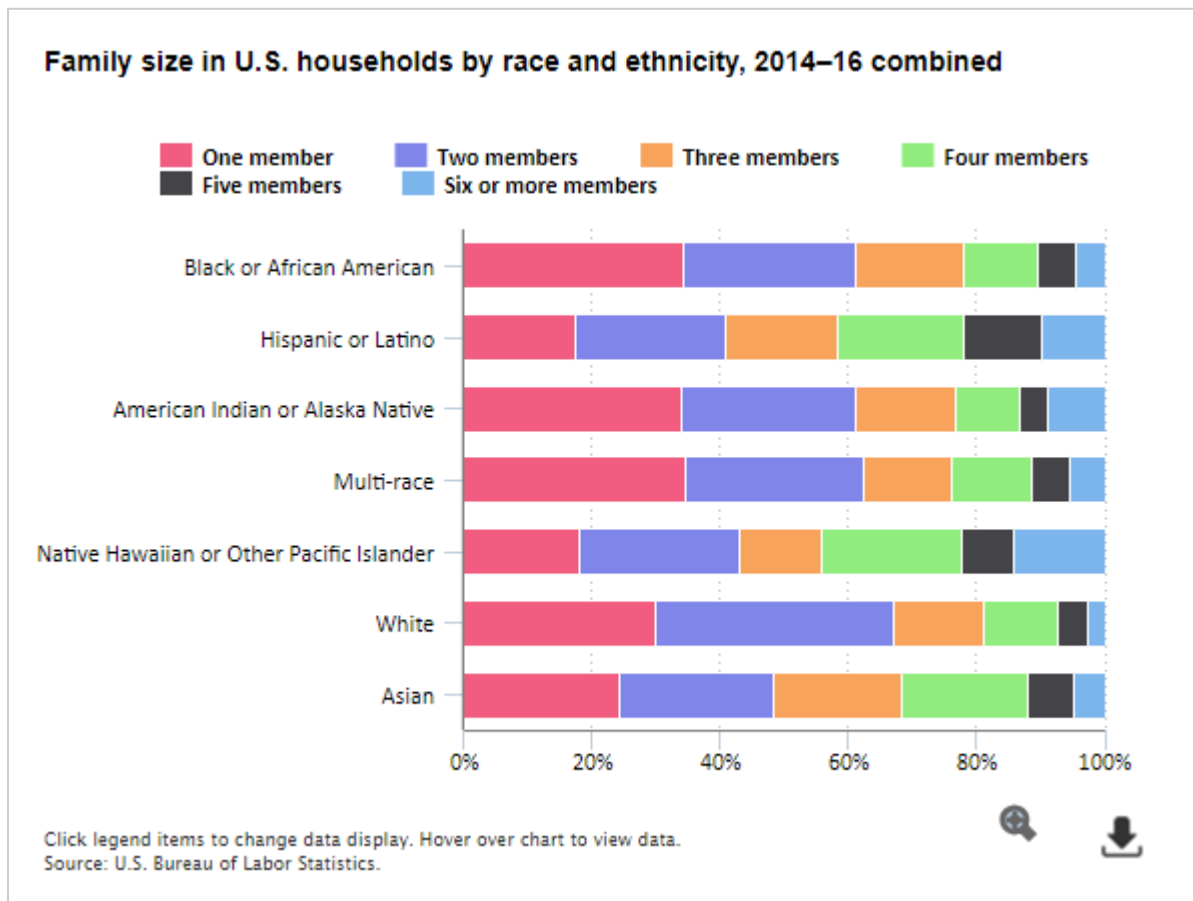
## Occupations can influence social networks

An occupation can influence one's physical and mental health, as well as social networks. Over the 2014–16 period, 15 percent of American Indian or Alaska Native households were mainly supported by a member who was a manager or professional administrator. Administrator occupations include funeral directors and nonprofit executives. About 23 percent of Hispanic or Latino households were supported by a member who worked in other services, including childcare worker, food preparer, janitor, maid, or waiter.



## Family size and standard of living

Family size is used to assess the minimum level of income needed to calculate the standard of living. Over the 2014–2016 period, about 35 percent of multi-race and Black or African-American households consisted of one member. Over the same period, about 82 percent of Hispanic and Native Hawaiian or Other Pacific Islander households had two or more members.

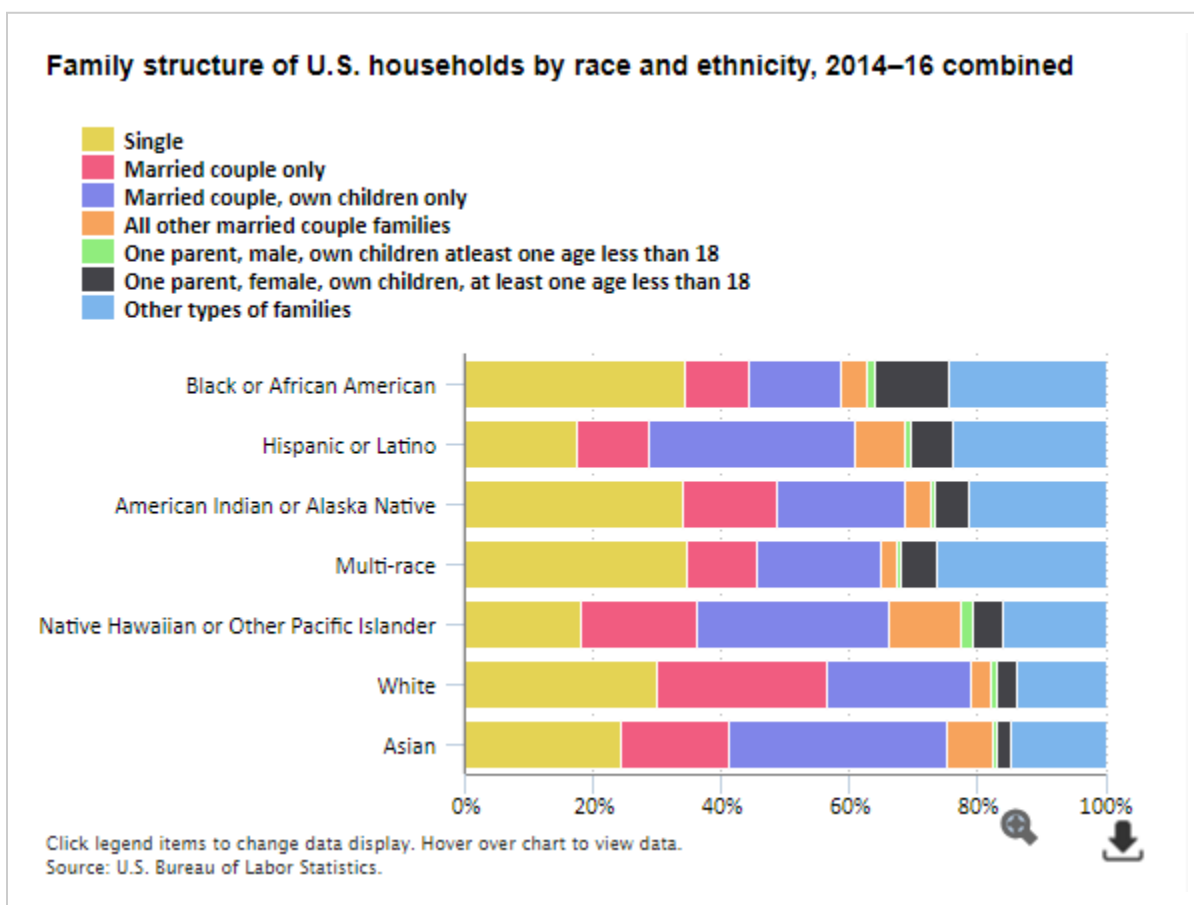




## Family structure and emotional well-being

Recent studies suggest that family structure correlates with access to healthcare, emotional well-being, and behavioral issues of its members. Family structure is based on the relationship of the members to the reference person.

Over the 2014–16 period, one-third of Asian, Hispanic, and Native Hawaiian or Other Pacific Islander households consisted of a married couple and their own children only. More than a quarter of multi-race households include members other than spouses, heads of household, or own children. Over the same period, 11.6 percent of Black households consisted of a female parent and at least one child.

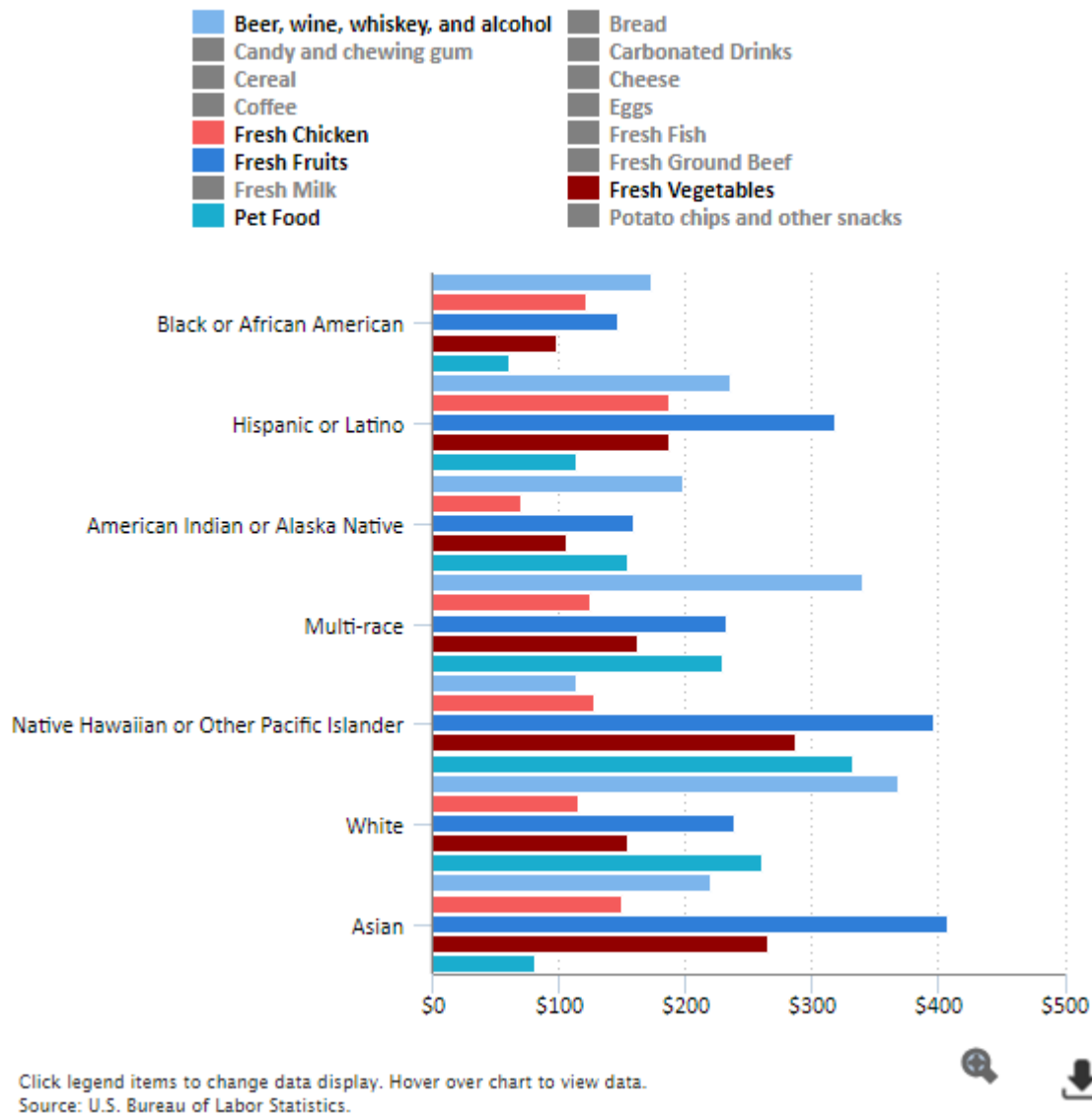


## **Foods can link to social and economic status**

Health studies show that consumption of whole grains, lean meats, fish, fresh vegetables, and fruits was regularly linked to higher social and economic groups, whereas consumption of fatty meats, refined grains, and added fats was linked with lower social and economic groups. These links may result from structural factors including access to grocery stores, transportation, and higher costs of healthy foods.

Over the 2014–16 period, Asian households spent more than any other household group on fresh fruits and Hispanic or Latino households spent more on fresh chicken. Native Hawaiian or Other Pacific Islander households spent more on fresh vegetables and pet food. On average, White and multi-race households spent more than \$300 per year on alcohol over that period.

### Annual U.S. household expenditures for selected food items by race and ethnicity, 2014–16 combined



## More information

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The Consumer Expenditure Surveys program consists of two surveys, the Quarterly Interview Survey and the Diary Survey. The Consumer Expenditure Surveys program is [important](#) because it is the only federal survey to provide information on the complete range of consumers' expenditures and incomes, as well as the characteristics of households all across America.

Ethnicity referred to Hispanics or Latinos, who could be of any race. The [U.S. Office of Management and Budget](#) defined Hispanic or Latino as a person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin regardless of race. In this Spotlight on Statistics, this population group was mutually exclusive. Thus, Asians were technically non-Hispanic Asians, Blacks or African Americans were non-Hispanic Blacks or African Americans, and so on for the remaining race categories.

Social and economic status, as defined by the American Psychological Association, is the social standing of a household. More information from the American Psychological Association about social and economic status can be found under its section on [social and economic status](#). Many different fields of research have examined and emphasized the importance between social and economic status and things like [income inequality](#) and [educational attainment](#).

The National Center for Education Statistics also offers great insight about social and economic status with their paper, "[Improving the Measurement of Social and economic Status for the National Assessment of Educational Progress: A Theoretical Foundation](#)." Moreover, the [Centers for Disease Control and Prevention](#) and the [American Journal for Nutrition](#) research suggest interesting links regarding family types and nutrition when determining social and economic status. Exploring these factors of social and economic status provide a reflective lens and an awareness of the populations within American society.